

AMENDMENT TO H.R. 2356, AS REPORTED
(SHAYS SUBSTITUTE)
OFFERED BY MR. NEY OF OHIO

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Campaign Reform and Citizen Participation Act of
4 2002”.

5 (b) TABLE OF CONTENTS.—The table of contents for
6 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—SOFT MONEY OF NATIONAL PARTIES

Sec. 101. Restrictions on soft money of national political parties.

TITLE II—MODIFICATION OF CONTRIBUTION LIMITS

Sec. 201. Increase in limits on certain contributions.

Sec. 202. Increase in limits on contributions to State parties.

Sec. 203. Treatment of contributions to national party under aggregate annual
limit on individual contributions.

Sec. 204. Exemption of costs of volunteer campaign materials produced and
distributed by parties from treatment as contributions and ex-
penditures.

Sec. 205. Indexing.

Sec. 206. Permitting national parties to establish accounts for making expendi-
tures in excess of limits on behalf of candidates facing wealthy
opponents.

TITLE III—DISCLOSURE OF ELECTION-RELATED
COMMUNICATIONS

Sec. 301. Disclosure of information on communications broadcast prior to elec-
tion.

Sec. 302. Disclosure of information on targeted mass communications.

TITLE IV—EFFECTIVE DATE

Sec. 401. Effective date.

1 **TITLE I—SOFT MONEY OF**
2 **NATIONAL PARTIES**

3 **SEC. 101. RESTRICTIONS ON SOFT MONEY OF NATIONAL**
4 **POLITICAL PARTIES.**

5 Title III of the Federal Election Campaign Act of
6 1971 (2 U.S.C. 431 et seq.) is amended by adding at the
7 end the following new section:

8 “SOFT MONEY OF NATIONAL POLITICAL PARTIES

9 “SEC. 323. (a) PROHIBITING USE OF SOFT MONEY
10 FOR FEDERAL ELECTION ACTIVITY.—A national com-
11 mittee of a political party (including a national congres-
12 sional campaign committee of a political party) may not
13 solicit, receive, or direct to another person a contribution,
14 donation, or transfer of funds or any other thing of value
15 for Federal election activity, or spend any funds for Fed-
16 eral election activity, that are not subject to the limita-
17 tions, prohibitions, and reporting requirements of this Act.

18 “(b) LIMIT ON AMOUNT OF NONFEDERAL FUNDS
19 PROVIDED TO PARTY BY ANY PERSON FOR ANY PUR-
20 POSE.—

21 “(1) LIMIT ON AMOUNT.—No person shall
22 make contributions, donations, or transfers of funds
23 which are not subject to the limitations, prohibitions,
24 and reporting requirements of this Act to a political
25 committee established and maintained by a national

1 political party in any calendar year in an aggregate
2 amount equal to or greater than \$20,000.

3 “(2) PROHIBITING PROVISION OF NONFEDERAL
4 FUNDS BY INDIVIDUALS.—No individual may make
5 any contribution, donation, or transfer of funds
6 which are not subject to the limitations, prohibitions,
7 and reporting requirements of this Act to a political
8 committee established and maintained by a national
9 political party.

10 “(c) APPLICABILITY.— This subsection shall apply to
11 any political committee established and maintained by a
12 national political party, any officer or agent of such a com-
13 mittee acting on behalf of the committee, and any entity
14 that is directly or indirectly established, maintained, or
15 controlled by such a national committee.

16 “(d) DEFINITIONS.—

17 “(1) FEDERAL ELECTION ACTIVITY.—

18 “(A) IN GENERAL.—The term ‘Federal
19 election activity’ means—

20 “(i) voter registration activity during
21 the period that begins on the date that is
22 120 days before the date a regularly sched-
23 uled Federal election is held and ends on
24 the date of the election, unless the activity
25 constitutes generic campaign activity;

1 “(ii) voter identification or get-out-
2 the-vote activity conducted in connection
3 with an election in which a candidate for
4 Federal office appears on the ballot (re-
5 gardless of whether a candidate for State
6 or local office also appears on the ballot),
7 unless the activity constitutes generic cam-
8 paign activity;

9 “(iii) any public communication that
10 refers to or depicts a clearly identified can-
11 didate for Federal office (regardless of
12 whether a candidate for State or local of-
13 fice is also mentioned or identified) and
14 that promotes or supports a candidate for
15 that office, or attacks or opposes a can-
16 didate for that office (regardless of wheth-
17 er the communication expressly advocates
18 a vote for or against a candidate); or

19 “(iv) any public communication made
20 by means of any broadcast, cable, or sat-
21 ellite communication.

22 “(B) EXCEPTION FOR CERTAIN ADMINIS-
23 TRATIVE ACTIVITIES.—The term ‘Federal elec-
24 tion activity’ does not include any activity relat-
25 ing to establishment, administration, or solicita-

1 tion costs of a political committee established
2 and maintained by a national political party, so
3 long as the funds used to carry out the activity
4 are derived from funds or payments made to
5 the committee which are segregated and used
6 exclusively to defray the costs of such activities.

7 “(2) GENERIC CAMPAIGN ACTIVITY.—The term
8 ‘generic campaign activity’ means any activity that
9 does not mention, depict, or otherwise promote a
10 clearly identified Federal candidate.

11 “(3) PUBLIC COMMUNICATION.—The term
12 ‘public communication’ means a communication by
13 means of any broadcast, cable, or satellite commu-
14 nication, newspaper, magazine, outdoor advertising
15 facility, or direct mail.

16 “(4) DIRECT MAIL.—The term ‘direct mail’
17 means a mailing by a commercial vendor or any
18 mailing made from a commercial list.”.

19 **TITLE II—MODIFICATION OF** 20 **CONTRIBUTION LIMITS**

21 **SEC. 201. INCREASE IN LIMITS ON CERTAIN CONTRIBU-** 22 **TIONS.**

23 (a) CONTRIBUTIONS BY COMMITTEES TO NATIONAL
24 PARTIES.—Section 315(a)(2)(B) of such Act (2 U.S.C.

1 441a(a)(2)(B)) is amended by striking “\$15,000” and in-
2 serting “\$30,000”.

3 (b) AGGREGATE ANNUAL LIMIT ON CONTRIBUTIONS
4 BY INDIVIDUALS.—Section 315(a)(3) of such Act (2
5 U.S.C. 441a(a)(3)) is amended by striking “\$25,000” and
6 inserting “\$37,500”.

7 **SEC. 202. INCREASE IN LIMITS ON CONTRIBUTIONS TO**
8 **STATE PARTIES.**

9 (a) CONTRIBUTIONS BY INDIVIDUALS.—Section
10 315(a)(1) of the Federal Election Campaign Act of 1971
11 (2 U.S.C. 441a(a)(1)) is amended—

12 (1) in subparagraph (B), by striking “or” at
13 the end;

14 (2) in subparagraph (C)—

15 (A) by inserting “(other than a committee
16 described in subparagraph (D))” after “com-
17 mittee”; and

18 (B) by striking the period at the end and
19 inserting “; or”; and

20 (3) by adding at the end the following:

21 “(D) to a political committee established and
22 maintained by a State committee of a political party
23 in any calendar year which, in the aggregate, exceed
24 \$10,000.”.

1 (b) CONTRIBUTIONS BY COMMITTEES.—Section
2 315(a)(2) of the Federal Election Campaign Act of 1971
3 (2 U.S.C. 441a(a)(2)) is amended—

4 (1) in subparagraph (B), by striking “or” at
5 the end;

6 (2) in subparagraph (C)—

7 (A) by inserting “(other than a committee
8 described in subparagraph (D))” after “com-
9 mittee”; and

10 (B) by striking the period at the end and
11 inserting “; or”; and

12 (3) by adding at the end the following:

13 “(D) to a political committee established and
14 maintained by a State committee of a political party
15 in any calendar year which, in the aggregate, exceed
16 \$10,000.”.

17 **SEC. 203. TREATMENT OF CONTRIBUTIONS TO NATIONAL**
18 **PARTY UNDER AGGREGATE ANNUAL LIMIT**
19 **ON INDIVIDUAL CONTRIBUTIONS.**

20 Section 315(a)(3) of the Federal Election Campaign
21 Act of 1971 (2 U.S.C. 441(a)(3)) is amended—

22 (1) by striking “(3)” and inserting “(3)(A)”;
23 and

24 (2) by adding at the end the following new sub-
25 paragraph:

1 “(B) Subparagraph (A) shall not apply with respect
2 to any contribution made to any political committee estab-
3 lished and maintained by a national political party which
4 is not the authorized political committee of any can-
5 didate.”.

6 **SEC. 204. EXEMPTION OF COSTS OF VOLUNTEER CAMPAIGN**
7 **MATERIALS PRODUCED AND DISTRIBUTED**
8 **BY PARTIES FROM TREATMENT AS CON-**
9 **TRIBUTIONS AND EXPENDITURES.**

10 (a) TREATMENT AS CONTRIBUTIONS.—Section
11 301(8)(B)(x) of the Federal Election Campaign Act of
12 1971 (2 U.S.C. 431(8)(B)(x)) is amended by striking “a
13 State or local committee of a political party of the costs
14 of” and inserting “a national, State, or local committee
15 of a political party of the costs of producing and distrib-
16 uting”.

17 (b) TREATMENT AS EXPENDITURES.—Section
18 301(9)(B)(viii) of the Federal Election Campaign Act of
19 1971 (2 U.S.C. 431(9)(B)(viii)) is amended by striking
20 “a State or local committee of a political party of the costs
21 of” and inserting “a national, State, or local committee
22 of a political party of the costs of producing and distrib-
23 uting”.

1 **SEC. 205. INDEXING.**

2 Section 315(c) of the Federal Election Campaign Act
3 of 1971 (2 U.S.C. 441a(c)) is amended—

4 (1) in paragraph (1)—

5 (A) by striking the second and third sen-
6 tences;

7 (B) by inserting “(A)” before “At the be-
8 ginning”; and

9 (C) by adding at the end the following:

10 “(B) Except as provided in subparagraph (C), in any
11 calendar year after 2002—

12 “(i) a limitation established by subsections (a),
13 (b), (d), or (h) shall be increased by the percent dif-
14 ference determined under subparagraph (A);

15 “(ii) each amount so increased shall remain in
16 effect for the calendar year; and

17 “(iii) if any amount after adjustment under
18 clause (i) is not a multiple of \$100, such amount
19 shall be rounded to the nearest multiple of \$100.

20 “(C) In the case of limitations under subsections (a)
21 and (h), increases shall only be made in odd-numbered
22 years and such increases shall remain in effect for the 2-
23 year period beginning on the first day following the date
24 of the last general election in the year preceding the year
25 in which the amount is increased and ending on the date
26 of the next general election.”; and

1 (2) in paragraph (2)(B), by striking “means the
2 calendar year 1974” and inserting “means—
3 “(i) for purposes of subsections (b) and
4 (d), calendar year 1974; and
5 “(ii) for purposes of subsections (a) and
6 (h), calendar year 2001”.

7 **SEC. 206. PERMITTING NATIONAL PARTIES TO ESTABLISH**
8 **ACCOUNTS FOR MAKING EXPENDITURES IN**
9 **EXCESS OF LIMITS ON BEHALF OF CAN-**
10 **DIDATES FACING WEALTHY OPPONENTS.**

11 (a) ESTABLISHMENT OF ACCOUNTS.—Section 315(d)
12 of the Federal Election Campaign Act of 1971 (2 U.S.C.
13 441a(d)) is amended by adding at the end the following
14 new paragraph:

15 “(4)(A) Subject to subparagraph (B), the national
16 committee of a political party may make expenditures in
17 connection with the general election campaign of a can-
18 didate for Federal office (other than a candidate for Presi-
19 dent) who is affiliated with such party in an amount in
20 excess of the limit established under paragraph (3) if—
21 “(i) the candidate’s opponent in the general
22 election campaign makes expenditures of personal
23 funds in connection with the campaign in an amount
24 in excess of \$100,000 (as provided in the notifica-
25 tions submitted under section 304(a)(6)(B)); and

1 “(ii) the expenditures are made from a separate
2 account of the party used exclusively for making ex-
3 penditures pursuant to this paragraph.

4 “(B) The amount of expenditures made in accordance
5 with subparagraph (A) by the national committee of a po-
6 litical party in connection with the general election cam-
7 paign of a candidate may not exceed the amount of ex-
8 penditures of personal funds made by the candidate’s op-
9 ponent in connection with the campaign (as provided in
10 the notifications submitted under section 304(a)(6)(B)).”.

11 (b) WAIVER OF LIMITS ON CONTRIBUTIONS TO AC-
12 COUNTS.—Section 315(a) of such Act (2 U.S.C. 441a(a))
13 is amended by adding at the end the following new para-
14 graph:

15 “(9) The limitations imposed by paragraphs (1)(B),
16 (2)(B), and (3) shall not apply with respect to contribu-
17 tions made to the national committee of a political party
18 which are designated by the donor to be deposited solely
19 into the account established by the party under subsection
20 (d)(4).”.

21 (c) NOTIFICATION OF EXPENDITURES OF PERSONAL
22 FUNDS.—Section 304(a)(6) of such Act (2 U.S.C.
23 434(a)(6)) is amended—

24 (1) by redesignating subparagraph (B) as sub-
25 paragraph (C); and

1 (2) by inserting after subparagraph (A) the fol-
2 lowing new subparagraph:

3 “(B)(i) The principal campaign committee of a can-
4 didate (other than a candidate for President) shall submit
5 the following notifications relating to expenditures of per-
6 sonal funds by such candidate (including contributions by
7 the candidate or the candidate’s spouse to such committee
8 and funds derived from loans made by the candidate or
9 the candidate’s spouse to such committee):

10 “(I) A notification of the first such expenditure
11 (or contribution) by which the aggregate amount of
12 personal funds expended (or contributed) with re-
13 spect to an election exceeds \$100,000.

14 “(II) After the notification is made under sub-
15 clause (I), a notification of each such subsequent ex-
16 penditure (or contribution) which, taken together
17 with all such subsequent expenditures (and contribu-
18 tions) in any amount not included in the most recent
19 report under this subparagraph, totals \$5,000 or
20 more.

21 “(ii) Each of the notifications submitted under clause
22 (i)—

23 “(I) shall be submitted not later than 24 hours
24 after the expenditure or contribution which is the
25 subject of the notification is made;

1 “(II) shall include the name of the candidate,
2 the office sought by the candidate, and the date of
3 the expenditure or contribution and amount of the
4 expenditure or contribution involved; and

5 “(III) shall include the total amount of all such
6 expenditures and contributions made with respect to
7 the same election as of the date of expenditure or
8 contribution which is the subject of the notifica-
9 tion.”.

10 **TITLE III—DISCLOSURE OF**
11 **ELECTION-RELATED COMMU-**
12 **NICATIONS**

13 **SEC. 301. DISCLOSURE OF INFORMATION ON COMMUNICA-**
14 **TIONS BROADCAST PRIOR TO ELECTION.**

15 Section 304 of the Federal Election Campaign Act
16 of 1971 (2 U.S.C. 434) is amended by adding at the end
17 the following new subsection:

18 “(e) DISCLOSURE OF INFORMATION ON CERTAIN
19 COMMUNICATIONS BROADCAST PRIOR TO ELECTIONS.—

20 “(1) IN GENERAL.—Any person who makes a
21 disbursement for a communication described in
22 paragraph (3) shall, not later than 24 hours after
23 making the disbursement, file with the Commission
24 a statement containing the information required
25 under paragraph (2).

1 “(2) CONTENTS OF STATEMENT.—Each state-
2 ment required to be filed under this subsection shall
3 be made under penalty of perjury and shall contain
4 the following information:

5 “(A) The identification of the person mak-
6 ing the disbursement, of any individual or enti-
7 ty sharing or exercising direction or control
8 over the activities of such person, and of the
9 custodian of the books and accounts of the per-
10 son making the disbursement.

11 “(B) The principal place of business and
12 phone number of the person making the dis-
13 bursement, if not an individual.

14 “(C) The amount of the disbursement.

15 “(D) The clearly identified candidate or
16 candidates to which the communication pertains
17 and the names (if known) of the candidates
18 identified or to be identified in the communica-
19 tion.

20 “(E) The text of the communication in-
21 volved.

22 “(3) COMMUNICATIONS DESCRIBED.—

23 “(A) IN GENERAL.—A communication de-
24 scribed in this paragraph is any
25 communication—

1 “(i) which is disseminated to the pub-
2 lic by means of any broadcast, cable, or
3 satellite communication during the 120-day
4 period ending on the date of a Federal
5 election; and

6 “(ii) which mentions a clearly identi-
7 fied candidate for such election (by name,
8 image, or likeness).

9 “(B) EXCEPTION.—A communication is
10 not described in this paragraph if—

11 “(i) the communication appears in a
12 news story, commentary, or editorial dis-
13 tributed through the facilities of any
14 broadcasting station, unless such facilities
15 are owned or controlled by any political
16 party, political committee, or candidate; or

17 “(ii) the communication constitutes an
18 expenditure under this Act.

19 “(4) COORDINATION WITH OTHER REQUIRE-
20 MENTS.—Any requirement to file a statement under
21 this subsection shall be in addition to any other re-
22 porting requirement under this Act.

23 “(5) CLARIFICATION OF TREATMENT OF VEN-
24 DORS.—A person shall not be considered to have
25 made a disbursement for a communication under

1 this subsection if the person made the disbursement
2 solely as a vendor acting pursuant to a contractual
3 agreement with the person responsible for spon-
4 soring the communication.”.

5 **SEC. 302. DISCLOSURE OF INFORMATION ON TARGETED**
6 **MASS COMMUNICATIONS.**

7 Section 304 of the Federal Election Campaign Act
8 of 1971 (2 U.S.C. 434), as amended by section 301, is
9 further amended by adding at the end the following new
10 subsection:

11 “(f) DISCLOSURE OF INFORMATION ON TARGETED
12 MASS COMMUNICATIONS.—

13 “(1) IN GENERAL.—Any person who makes a
14 disbursement for targeted mass communications in
15 an aggregate amount in excess of \$50,000 during
16 any calendar year shall, within 24 hours of each dis-
17 closure date, file with the Commission a statement
18 containing the information described in paragraph
19 (2).

20 “(2) CONTENTS OF STATEMENT.—Each state-
21 ment required to be filed under this subsection shall
22 be made under penalty of perjury and shall contain
23 the following information:

24 “(A) The identification of the person mak-
25 ing the disbursement, of any individual or enti-

1 ty sharing or exercising direction or control
2 over the activities of such person, and of the
3 custodian of the books and accounts of the per-
4 son making the disbursement.

5 “(B) The principal place of business and
6 phone number of the person making the dis-
7 bursement, if not an individual.

8 “(C) The amount of each such disburse-
9 ment of more than \$200 made by the person
10 during the period covered by the statement and
11 the identification of the person to whom the
12 disbursement was made.

13 “(D) The clearly identified candidate or
14 candidates to which the communication pertains
15 and the names (if known) of the candidates
16 identified or to be identified in the communica-
17 tion.

18 “(E) The text of the communication in-
19 volved.

20 “(3) TARGETED MASS COMMUNICATION DE-
21 FINED.—

22 “(A) IN GENERAL.—In this subsection, the
23 term ‘targeted mass communication’ means any
24 communication—

1 “(i) which is disseminated during the
2 120-day period ending on the date of a
3 Federal election;

4 “(ii) which refers to or depicts a clear-
5 ly identified candidate for such election (by
6 name, image, or likeness); and

7 “(iii) which is targeted to the relevant
8 electorate.

9 “(B) TARGETING TO RELEVANT ELEC-
10 TORATE.—

11 “(i) BROADCAST COMMUNICATIONS.—

12 For purposes of this paragraph, a commu-
13 nication disseminated to the public by
14 means of any broadcast, cable, or satellite
15 communication which refers to or depicts a
16 clearly identified candidate for Federal of-
17 fice is ‘targeted to the relevant electorate’
18 if the communication is disseminated by a
19 broadcaster whose audience includes—

20 “(I) a substantial number of resi-
21 dents of the district the candidate
22 seeks to represent (as determined in
23 accordance with regulations of the
24 Commission), in the case of a can-
25 didate for Representative in, or Dele-

1 gate or Resident Commissioner to, the
2 Congress; or

3 “(II) a substantial number of
4 residents of the State the candidate
5 seeks to represent (as determined in
6 accordance with regulations of the
7 Commission), in the case of a can-
8 didate for Senator.

9 “(ii) OTHER COMMUNICATIONS.—For
10 purposes of this paragraph, a communica-
11 tion which is not described in clause (i)
12 which refers to or depicts a clearly identi-
13 fied candidate for Federal office is ‘tar-
14 geted to the relevant electorate’ if—

15 “(I) more than 10 percent of the
16 total number of intended recipients of
17 the communication are members of
18 the electorate involved with respect to
19 such Federal office; or

20 “(II) more than 10 percent of
21 the total number of members of the
22 electorate involved with respect to
23 such Federal office receive the com-
24 munication.

1 “(C) EXCEPTIONS.—The term ‘targeted
2 mass communication’ does not include—

3 “(i) a communication appearing in a
4 news story, commentary, or editorial dis-
5 tributed through the facilities of any
6 broadcasting station, newspaper, magazine,
7 or other periodical publication, unless such
8 facilities are owned or controlled by any
9 political party, political committee, or can-
10 didate;

11 “(ii) a communication made by any
12 membership organization (including a
13 labor organization) or corporation solely to
14 its members, stockholders, or executive or
15 administrative personnel, if such member-
16 ship organization or corporation is not or-
17 ganized primarily for the purpose of influ-
18 encing the nomination for election, or elec-
19 tion, of any individual to Federal office; or

20 “(iii) a communication which con-
21 stitutes an expenditure under this Act.

22 “(4) DISCLOSURE DATE.—For purposes of this
23 subsection, the term ‘disclosure date’ means—

24 “(A) the first date during any calendar
25 year by which a person has made disbursements

1 for targeted mass communications aggregating
2 in excess of \$50,000; and

3 “(B) any other date during such calendar
4 year by which a person has made disbursements
5 for targeted mass communications aggregating
6 in excess of \$50,000 since the most recent dis-
7 closure date for such calendar year.

8 “(5) COORDINATION WITH OTHER REQUIRE-
9 MENTS.—Any requirement to report under this sub-
10 section shall be in addition to any other reporting
11 requirement under this Act.

12 “(6) CLARIFICATION OF TREATMENT OF VEN-
13 DORS.—A person shall not be considered to have
14 made a disbursement for a communication under
15 this subsection if the person made the disbursement
16 solely as a vendor acting pursuant to a contractual
17 agreement with the person responsible for spon-
18 soring the communication.”.

19 **TITLE IV—EFFECTIVE DATE**

20 **SEC. 401. EFFECTIVE DATE.**

21 The amendments made by this Act shall take effect
22 on the date of the enactment of this Act.